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16 July 1976

MEMORANDUM FOR: Energy Research and Development

Administration

SUBJECT : Security Conditions in Austria

- 1. Austria in recent years has been the scene of numerous terrorist incidents. One of the most dramatic was the kidnapping of ten OPEC ministers by the notorious Carlos last December in Vienna. Only a month earlier, an Armenian extremist group assassinated the Turkish ambassador. Chancellor Kreisky's Socialist government has taken steps to increase security, but this will do little to dispel Austria's reputation as a prime target for terrorism.
- 2. The reasons for this unenviable reputation have virtually nothing to do with political or social conditions in Austria. Since 1945 the country has established itself as one of the most prosperous and stable on the European continent. From 1945 to 1966, the country was governed by a coalition of Catholics and Socialists who set aside their mutual animosities in order to restore the nation following the collapse of the Third Reich.
- 3. For the past six years, the Socialists under Kreisky's skillful leadership have governed the country alone. They have held an absolute majority in the national parliament since 1971—an impressive accomplishment in view of the conservative political tradition of the long-dominant rural and alpine regions. Economic growth has been strong and steady, while inflation and unemployment remained relatively low even during the recent recession. Social welfare services are extensive, reducing grievances that could lead to political radicalism. The Communist

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Rarty has not had a seat in parliament since 1959. More than half its 25,000 members are over the age of 60, suggesting that the party's panaceas are not considered particularly relevant by younger people.

4. Indigenous unrest centers largely on the ethnic minority problem in Carinthia, where the Slovenes are demanding equal cultural rights guaranteed them under the Austrian State Treaty of 1955. Kreisky and the Socialists have compiled a poor record in fulfilling such obligations since bilingual road signs in Carinthia were torn down by Germanophile groups in October 1972. A special census is scheduled for mid-November to determine the size and location of all slavic minority groups for purposes of implementing new benefits for these groups. The Slovenes in Carinthia, with the support of the Yugoslav government, have criticized the census as "statistical genocide" and are threatening to boycott the survey. Slovene extremists have already bombed the statue of a German nationalist.

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One principle factor involved in previous terrorist incidents—such as the kidnapping of the OPEC ministers and the Soviet Jews connected with the transit camp at Schoenau four years ago—is Chancellor Kreisky's inclination to accede to terrorist demands in order to avoid bloodshed. The Chancellor's reputation for being "soft" with Arab terrorists in particular seems to stem from his desire not to be seen as too pro—Israeli given the strong tradition of anti—semitism among the Austrians. His own Jewish background and his nation's dependence on OPEC oil are other factors that push the Chancellor toward accommodation. Indeed, Kreisky has made three fact—finding trips to the Middle

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East for the Socialist International in which he has cultivated his reputation as the Arabs' most trusted interlocutor in Western Europe. The Austrian government is doing everything it can to persuade OPEC to maintain its headquarters in Vienna and may make a decision in the near future to grant the Palestinian Liberation Organization an information office in the capital.

7. The Austrian government has strengthened security for major OPEC ministerial meetings, and added some 700 men to the Vienna police force and 500 to the federal gendarmerie. Austrian officials, however, see little chance of controlling terrorists given the huge number--some 116 million persons-who cross Austrian borders each year. Security conditions in the capital will be particularly difficult to guarantee because more than 2,000 Arabs--many PLO sympathizers--live and work there.

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